GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:966
ANSWERED ON:23.11.2001
EFFECT OF ECONOMIC DEPRESSION ON TEXTILE INDUSTRY
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Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are aware that textile industry has been adversely affected on account of economic depression;

(b) if so, the details thereof;

(c) whether special package is being formulated by the Government to tackle the situation; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

(a) & (b) During the first six months of the current financial year (April-September, 2001) total fabric production has increased by 2.6% as compared to the same period during the previous year, though there has been marginal decline in the production of cotton yarn and cotton fabrics during this period. The details are given below:

Production of textile items during the last six months

Sr.No.	Item	Unit	April-Sept. 2001-02(P)	2000-01	% variation
1	Total spun yarn	Mn. Kg.	1587	1587	Nil
	i) Cotton yarn	Mn. Kg.	1124	1149	(-) 2.2
	ii) Other spun yarn (blended & 100% non cotton yarn)	Mn. Kg.	463	438	5.7
2	Man-made filament yarn	Mn. Kg.	474	456	3.9
3	Total fabrics	Mn. Sq. mtr.	20847	20316	2.6
	i) Cotton fabrics	Mn. Sq. mtr.	9838	9979	(-) 1.4
	ii) Other fabrics including blended, 100% non cotton, Khadi wool & Silk	Mn. Sq. mtr.	11009	10337	6.5

(c) & (d) Government of India has taken a number of steps to improve competitiveness of the textile industry . These include:

i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1/4/1999 to facilitate the modernization and upgradation of this sector.

ii) Technology Mission for Cotton has been launched for initiating focused steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

iii) The National Textile Policy - 2000 (NTxP - 2000) has been announced to provide the policy direction for orderly and sustained development and growth of the textile industry in a harmonious way and to give a thrust to textile exports.

iv) A `Textile Package` was announced in the Budget 2001-02 to strengthen domestic textile industry for meeting the growing global competition. This include:

(a) The import of a large number of garment machinery has been allowed under concessional custom duty of 5%.

(b) With a view to encouraging backward integration, the custom duty on shuttle-less looms has been brought to 5%.

(c) Foreign equity participation upto 100% through automatic route has been allowed with certain exceptions.

(d) A provision of Rs.10 crores has been earmarked in the B.E. 2001-02 for creating clusters of excellence, i.e. apparel parks for production and export of garments. Besides, a provision of Rs.15 crores has also been made in B.E. 2001-02 for the scheme for improvement of infrastructure facilities at major textile production centers.

(e) Weaving, processing and garment machinery have been extended the facility of accelerated depreciation at the rate of 50%.